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DEPARTMENT OF STATE
ASSISTANT SECRETARY

Ecuador

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c.c.H.R

November 17, 1961

TO: S/P - Mr. McGhee
FROM: ARA - Mr. Woodward JFW
SUBJECT: Ecuador: Anatomy of a Revolution (Your Memorandum of November 9, 1961)

In preliminary response to your questions concerning the relationship between the "old-style Latin American revolution" in Ecuador and the Alliance for Progress, the following comments occur to me:

1. If former President Velasco Ibarra had heeded the principles of the Alliance for Progress as outlined in the Charter of Punta del Este, he might not have been subjected to this revolution. Therefore, we can expect that the increased observance of the Charter of Punta del Este will reduce the possibility of other revolutions for the reasons that this one was carried out.
2. There is, of course, likely to be a danger that -- if a revolution is carried out for a purpose such as this (a protest against increases in taxes on consumers) -- that the revolution could be led by leaders of the masses who could be Castroists. Therefore, it is obviously desirable for governments to avoid precipitating this kind of revolutions, and that is why it is beneficial for us to be exerting steady pressure through the Alliance for Progress for an evolution in taxes that will place the burden more fairly on those who are able to pay.
3. With respect to the question: Why did the Army support Gallegos and the Air Force support Arosemena? I think this is explainable by the fact that the Army tends to be more traditional-minded as an older branch of the Service, and the Air Force tends to be composed of younger officers who are more inclined to be sympathetic with the plight of the consumer and somewhat less inclined to be rigid in their traditional loyalties.

ARA/BFWoodward:jk

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